

# AFFORDABILITY GAPS FOR LOW INCOME RENTERS

To qualify for federal housing rental assistance, a household must be very low income, that is, its income cannot exceed 50% of the Area Median Income (AMI)\*. Households with incomes below 30% of AMI are considered extremely low income.

In Indiana, approximately **11% of households are very low income**, while approximately **12% of households are extremely low income** – a total of about 688,000 households potentially needing a housing subsidy\*\*. Thus, nearly a quarter of Indiana households meet the income qualifications necessary to benefit from federal rental assistance. The rental housing cost gap based on households with incomes at 50% and 30% of AMI varies across the State. The Chicago Metropolitan Area, which includes Lake County, Indiana, has the **highest housing cost gap - \$518 monthly** for a household with an income of 30% of AMI (Table 1). Only in the Decatur and Jasper Micropolitan Areas are households with incomes of 50% of AMI able to afford the Median Gross Rent<sup>^</sup>, with \$50 and \$41 to spare per month, respectively.

Table 1: Monthly Housing Cost Gap for Very and Extremely Low Income Households

Core-Based Statistical Area	Estimates***				Monthly Housing Cost Gap at Median Gross Rent <sup>^</sup>		Margins of Error	
	Median Household Income	50% of Median Income	30% of Median Income	Median Gross Rent <sup>†</sup>	50% of Median Income	30% of Median Income	Median Household Income	Median Gross Rent
Bloomington, IN Metro Area	\$42,416	\$21,208	\$12,725	\$808	\$278	\$490	3%	2%
Lafayette-West Lafayette, IN Metro Area	\$45,364	\$22,682	\$13,609	\$793	\$226	\$453	2%	1%
Muncie, IN Metro Area	\$37,900	\$18,950	\$11,370	\$690	\$216	\$406	3%	2%
Chicago-Naperville-Elgin, IL-IN-WI Metro Area	\$61,497	\$30,749	\$18,449	\$979	\$210	\$518	0%	0%
North Vernon, IN Micro Area	\$44,758	\$22,379	\$13,427	\$720	\$161	\$384	6%	4%
Connersville, IN Micro Area	\$37,833	\$18,917	\$11,350	\$634	\$161	\$350	7%	4%
Richmond, IN Micro Area	\$37,932	\$18,966	\$11,380	\$632	\$158	\$348	3%	2%
South Bend-Mishawaka, IN-MI Metro Area	\$45,036	\$22,518	\$13,511	\$720	\$157	\$382	2%	1%
Indianapolis-Carmel-Anderson, IN Metro Area	\$52,434	\$26,217	\$15,730	\$800	\$145	\$407	1%	1%
Terre Haute, IN Metro Area	\$42,780	\$21,390	\$12,834	\$674	\$139	\$353	3%	2%
Greensburg, IN Micro Area	\$49,631	\$24,816	\$14,889	\$750	\$130	\$378	5%	4%
New Castle, IN Micro Area	\$40,247	\$20,124	\$12,074	\$633	\$130	\$331	4%	3%
Marion, IN Micro Area	\$39,885	\$19,943	\$11,966	\$628	\$129	\$329	4%	4%
Elkhart-Goshen, IN Metro Area	\$46,983	\$23,492	\$14,095	\$715	\$128	\$363	2%	2%
Columbus, IN Metro Area	\$54,488	\$27,244	\$16,346	\$807	\$126	\$398	4%	3%
Kokomo, IN Metro Area	\$42,078	\$21,039	\$12,623	\$647	\$121	\$331	3%	3%
Madison, IN Micro Area	\$45,306	\$22,653	\$13,592	\$679	\$113	\$339	5%	3%
Logansport, IN Micro Area	\$41,356	\$20,678	\$12,407	\$629	\$112	\$319	4%	4%
Evansville, IN-KY Metro Area	\$47,425	\$23,713	\$14,228	\$704	\$111	\$348	2%	2%
Michigan City-La Porte, IN Metro Area	\$47,117	\$23,559	\$14,135	\$698	\$109	\$345	3%	2%
Louisville/Jefferson County, KY-IN Metro Area	\$50,386	\$25,193	\$15,116	\$735	\$105	\$357	1%	1%
Seymour, IN Micro Area	\$47,758	\$23,879	\$14,327	\$696	\$99	\$338	5%	6%
Crawfordsville, IN Micro Area	\$46,286	\$23,143	\$13,886	\$672	\$93	\$325	6%	4%
Vincennes, IN Micro Area	\$42,997	\$21,499	\$12,899	\$628	\$91	\$306	6%	5%
Huntington, IN Micro Area	\$47,356	\$23,678	\$14,207	\$667	\$75	\$312	4%	4%
Frankfort, IN Micro Area	\$49,669	\$24,835	\$14,901	\$686	\$65	\$313	5%	6%
Wabash, IN Micro Area	\$45,657	\$22,829	\$13,697	\$636	\$65	\$294	4%	5%
Bedford, IN Micro Area	\$44,553	\$22,277	\$13,366	\$621	\$64	\$287	4%	3%
Cincinnati, OH-KY-IN Metro Area	\$55,204	\$27,602	\$16,561	\$750	\$60	\$336	1%	1%
Fort Wayne, IN Metro Area	\$49,607	\$24,804	\$14,882	\$668	\$48	\$296	1%	1%
Angola, IN Micro Area	\$48,750	\$24,375	\$14,625	\$650	\$41	\$284	4%	4%
Warsaw, IN Micro Area	\$52,706	\$26,353	\$15,812	\$698	\$39	\$303	2%	4%
Auburn, IN Micro Area	\$49,561	\$24,781	\$14,868	\$648	\$28	\$276	4%	7%
Kendallville, IN Micro Area	\$49,102	\$24,551	\$14,731	\$641	\$27	\$273	4%	3%
Washington, IN Micro Area	\$47,104	\$23,552	\$14,131	\$595	\$6	\$242	4%	4%
Jasper, IN Micro Area	\$52,332	\$26,166	\$15,700	\$613	-\$41	\$221	3%	4%
Decatur, IN Micro Area	\$47,964	\$23,982	\$14,389	\$550	-\$50	\$190	6%	7%

\*Adjusted according to household size. \*\*Median Gross Rent includes the cost of rent and an estimate of associated utilities, property insurance, and other costs. \*\*\*50% and 30% of Median Income estimates were calculated by the author using Median Household Income.

<sup>†</sup>The amount a household can pay for rent and housing-related expenses is limited to 30% of its income in these calculations. <sup>^</sup>Median Gross Rent includes the cost of rent and an estimate of associated utilities, property insurance, and other costs.

All data cited in this document are derived from 2014 5-year American Community Survey estimates obtained from:

Minnesota Population Center. National Historical Geographic Information System: Version 2.0. Minneapolis, MN: University of Minnesota 2011. Retrieved from <http://www.nhgis.org>